GOVERNMENT OF INDIA
FOOD PROCESSING INDUSTRIES
LOK SABHA

UNSTARRED QUESTION NO:3456
ANSWERED ON:08.08.2017
Complaints against Cold Chain Centres
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Will the Minister of FOOD PROCESSING INDUSTRIES be pleased to state:

(a) whether any report has been received against the agencies responsible for implementation of cold chain centres;

(b) if so, whether any system has been evolved by the Government to monitor the irregularities therein;

(c) if so, the details thereof; and

(d) whether the complaints regarding higher charging by cold storages owners and tackling the issue of lapses in storing the farmers' produce has been received by the Government and if so, the action taken by the Government against the erring cold storage owners in this regard?

Answer

(a to c):The revised operational guidelines for the scheme for Integrated Cold Chain and Value Addition Infrastructure were issued on 29.08.2016. The guidelines contain certain enabling provisions to ensure that suitable action is taken in case any irregularity is committed by the promoter in connection with implementation of a cold chain project. Some of these provisions are as follows:-

i. In case of non-implementation of the project as per the approval letter, the Ministry would have the discretion to cancel the approval granted to the project and to recall the grant, if any, released, with interest @ 10% per annum.

ii. In case of failure to operate the project for at least three years after commencement of commercial operation, the promoter shall return the entire grant-in-aid with interest @ 10% per annum.

iii. In case of the failure of the promoter(s) to refund the grant-in-aid amount with interest, in the event of non-implementation of the project as approved and / or utilization of the grant for purposes other than on the approved components, the due amount shall be recovered as an arrear of land revenue as per the relevant law in force.

iv. If at any point of time, it comes to the notice of the Ministry that the grant has been availed by manipulation/ concealment of information/ facts, the same shall be withdrawn immediately and the amount, if any, released shall be refunded along with interest at the rate of 10% per annum.

v. The assets created wholly or substantially out of the Government Grant shall not be disposed-off or encumbered or utilized for purposes other than those for which the grant has been sanctioned, without obtaining the prior approval of the Ministry. In case of non-compliance of this condition, the promoter(s) will be liable to refund the grant with interest @ 10% per annum. In case of the failure of the promoter(s) to refund the grant-in-aid amount with interest, the due amount shall be recovered as an arrear of land revenue as per the relevant law in force.

(d): The Ministry has not received any representation/complaint against the promoters of cold chain projects regarding over charging, mishandling of produce etc.. Hence, the question of the action taken by the Government against the erring cold storage owners in this regard does arise.

The Integrated Cold Chain projects set up under the Cold Chain scheme of the Ministry are being operated by the promoters on different business models viz. rental basis, captive use and a mix of rental and captive use. The Ministry has not determined any methodology to fix the rates of storage of agricultural produce and value addition for the facilities at these projects.

However, Warehousing Development and Regulatory Authority under Department of Food & Public Distribution registers the warehouses including cold storages which intend to issue Negotiable Warehouse Receipts (NWRs) to the depositors against their deposits. Registration of warehouses/ cold storages with WDRA is voluntary. The farmers depositing their produce in the registered warehouses / cold storages can benefit from these NWRs to avail loan from the Banks against pledge of the NWRs.